



# PERSpectives



December 2005

Public Employee Retirement System of Idaho



A message from Jody B. Olson  
Retirement Board Chairman

## ENDING THE YEAR ON A HIGH NOTE

It is always exciting to close out the year with good news. I am pleased to report at its October meeting, the Retirement Board approved a 3.6 percent discretionary cost-of-living adjustment (COLA) for our more than 27,000 retirees. This exceeds last year's increase of 2.7 percent plus the 0.8 percent retro COLA. The Board was able to approve the increase because the funding level as of June 30, 2005, was at 93.2 percent of the actuarial accrued liability.

The COLA must still be affirmed by the legislature when it reconvenes; however, I am confident the decision will stand. When approved, the COLA will go into effect on March 1, 2006.

The second bit of good news is the Board is delaying the planned contribution rate increase for both employers and employees until July 1, 2007. As it does each year, the Board carefully reviewed

the contribution rate schedule and determined we could postpone the increase for another year because PERSI has been fiscally prudent and has, once again, had a good return on investments. This postponement means our more than 64,000 active members and our 684 employers will not have to pay nearly \$22 million into the fund during the coming year.

While it is not uncommon for public pension systems to operate at a funding ratio of less than 100 percent, in recent years the funding gap has widened dramatically for many systems. This is not the case with PERSI; in fact, it is quite the contrary. PERSI has continued to increase its funded ratio and, as such, has remained in the top tier of public retirement systems nationwide. Thanks to the capable staff and exceptional leadership of Executive Director Alan Winkle and an experienced investment team led by Chief Investment Officer Bob Maynard, PERSI is on solid ground for the future.

## PERSI ANSWER CENTER UP AND RUNNING SMOOTHLY

In an effort to improve its customer service without compromising the "personal touch" for which it is known, during the past year PERSI created a contact center with the goal of answering questions and/or responding to inquiries without transferring or passing callers around, and without asking members to call back. Still a "work in progress," the PERSI Answer Center (PAC) was launched in September with seven staff dedicated to phone duties and six retirement counselors available throughout the state to meet with members.

PERSI committed considerable resources and effort so the PAC staff would receive the training necessary to ensure success, knowing there would be a return on investment through a better educated staff and more satisfied members. Training modules specifically designed for PAC staff included comprehensive coverage of retirement benefits, sick leave, separations, and divorce, disability, and death issues.

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# Insights

## IDENTITY THEFT: What you should know

Identity theft is a problem that can affect anyone. There are a few simple things you can do, however, to minimize your chances of being victimized. If you do fall prey to an identity thief, knowing what steps to take may help you through the process of clearing your name and restoring your credit.

### What is Identity Theft?

When someone obtains another person's identifying information such as name, address, date of birth, Social Security number, or mother's maiden name, and then uses it illegally, that's identity theft. Armed with your personal information, anyone can open charge accounts, drain your bank account, or apply for loans...and you'll be left to unravel the mess.

### How To Tell If You're a Victim

If someone has opened accounts in your name, they will likely show up on your credit report. Get copies of your credit report annually; more often if you know your personal information has been compromised. You should also monitor your financial accounts, checking for any unexplained charges or withdrawals. Other indicators include:

- Failing to receive bills or other mail—this could mean someone put in a change of address without your knowledge
- Receiving credit cards without applying for them
- Denial of credit for no apparent reason
- Calls from debt collectors about products or services you didn't purchase

### How to Protect Yourself

Exercise caution and guard your personal information. Password-protect your credit card, bank, and phone accounts using a code or word difficult for others to figure out, but memorable enough for you to recall. Inquire about security measures at your workplace, doctor's office, or any place that gathers your personal information. Find out who

has access to your records, how they dispose of the information, and if the information is shared with anyone else.

Unless you've initiated contact with an organization, don't give out personal information over the phone. Identity thieves are very clever; they know how to impersonate banks, credit card companies, and even the government. Before sharing personal information, verify you're dealing with a legitimate entity by calling customer service using the phone number on your account statement or listed in the phone directory.

Don't place outgoing mail in your curbside mailbox unless it's secure, and also promptly remove delivered mail from your mailbox. Put a hold on mail while you're away from home for an extended period or ask a neighbor to collect it for you.

Shred all personal documents before discarding them. Identity thieves have no qualms about rummaging through your trash.

If you use a computer, regularly update your virus protection software and use a firewall. Avoid opening files sent by strangers and clicking on hyperlinks or downloading programs from people or companies you don't know. Hackers are out there just waiting to steal personal information and use it illegally. Take control, so they can't.

### What If My Identity is Stolen?

If your identity has been stolen there are four steps you should take immediately:

- Call the security department of your bank and credit card companies to close the accounts; then follow up in writing. (The Fair Credit Billing Act limits consumer liability for fraudulent charges to \$50.)
- Contact the three credit reporting agencies and place a fraud alert on your credit reports:

Equifax 888-766-0008; Experian 888-397-3742; TransUnion 800-680-7289.

- File a report with local law enforcement, and obtain a copy of the police report.
- File a complaint with the Federal Trade Commission (FTC) at 877-438-4338.

Be sure to document the calls, keep records of your conversations, and make copies of your correspondence. If your Social Security card was stolen, contact the Social Security Administration

at 800-772-1213, ask for Form SS-5 to get a replacement card. (This form is also available on line at [www.ssa.gov](http://www.ssa.gov).) For your driver's license or other identifying documents, contact the issuing agency and follow the procedures they provide.

Identity theft is a crime; but it's also a headache for the victims who have to spend time and energy dealing with the aftermath of the crime. For more detailed information or to order a free pamphlet about identity theft, visit the FTC Web site at [www.consumer.gov/idtheft](http://www.consumer.gov/idtheft).

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## PERSI CLARIFIES ITS ROLE WITH MEDICARE PART D

PERSI devoted its last newsletter to the new Medicare Part D prescription program. It's come as no surprise members are calling for additional information. PERSI prides itself on providing a high level of customer service, but finds itself in an unusual situation...the questions being raised by our members have little to do with PERSI, and a whole lot to do with insurance and employers.

PERSI's role with Medicare Part D has been to provide members with an overview of the program. We are not in a position to respond to specific questions about employer-sponsored retirement insurance; these types of questions should be answered by insurers and employer payroll personnel. What we do know is PERSI will treat Medicare Part D deductions exactly like it has been dealing with Parts A and B — we aren't involved with premium deductions. Retired members with Medicare Parts

A and B typically have the premiums deducted from their Social Security checks or pay the costs directly themselves. It will be the same for Part D. Premiums for employer-sponsored insurance will continued to be deducted from retirement checks or sick leave as currently provided.

Admittedly, this is a confusing time. This new Medicare feature is confusing to the insurance providers, employers, and to our members and retirees. PERSI will continue training its staff to answer Medicare program-related questions, and will refer callers to employers and insurance providers as appropriate. We have encouraged employers *not* to refer employees with insurance questions to PERSI, but rather to the insurance provider. We want to help our members get to the right source for accurate information.

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*PERSI Answer Center continued from page 1*

Almost immediately, the PAC staff was bombarded with Medicare Part D questions. Thanks to training and educational materials provided by the Senior Health Insurance Benefit Advisors (SHIBA) program and other agencies involved, the staff was able to field questions and redirect callers to the appropriate sources for accurate and up-to-date information.

By establishing a centralized contact center staffed with generalists, PERSI can respond to members more quickly. According to PAC Manager Judy Aitken, "We're able to give the right answer without shuttling callers around. This saves our members

valuable time, and reduces their frustration level since they are dealing with a single source. There are questions and situations, however, which are so complicated they require a specialist. In those instances, callers are asked if they would like to speak with a specialist or make an appointment with one of the PERSI retirement counselors."

The PAC idea emerged from a reengineering process initiated by PERSI in 2003. By restructuring the organization, PERSI is better positioned to meet the increasing needs of both its members and employers well into the future.

## Notes

**PERSI** financial supervisor Debbie Buck has achieved Certified Government Financial Manager status. This designation required her to have two years of professional-level experience in government financial management, to complete coursework, and to pass multiple exams. The program is sponsored by the Association of Government Accountants. PERSI congratulates Debbie on her success.

**PERSI's** Chief Investment Officer Bob Maynard was one of the guest speakers at the National Council on Teacher Retirement (NCTR) conference held in Tampa, Florida last month.

**PERSI** management exchanged ideas and discussed topics of shared interest with the Oregon, Washington, Montana, and Nevada retirement systems at the Northwest Pension Peer Conference held the last week of October.

**Kris Colt** a PERSI IT professional, attended imaging training at FileNet in Costa Mesa, California. FileNet is a company working with PERSI to convert paper and microfilm documents into electronic files, making access much easier, quicker, and more secure. Kris and **Nancy Fauver**, another PERSI IT professional who will attend training in a few months, will serve as the liaisons with FileNet and as administrators for PERSI.

**PERSI** staff supported the SMRIST Essentials Food Bank in Idaho City by collecting food and cash donations for Thanksgiving food baskets for families in need.

**PERSI** staff adopted two families for Christmas through the Neighborhood Housing Authority's Homeward Bound program. Food, clothing, furniture, and toys were collected to help these families have a brighter holiday.

## REGULAR INTEREST RATE ON MEMBER ACCOUNTS FOR 2006

The PERSI Retirement Board is authorized by law to periodically set the regular interest rate. Regular interest is the rate of interest credited to member accounts.

Effective January 1, 2006, members will receive 10.24 percent interest on their Base Plan accounts. The regular interest rate credited to member accounts for each calendar year is equal to PERSI's net investment return rate. The rate for each calendar year is based on the net rate of return at the end of the previous fiscal year (June 30). If the investment return for any fiscal year is less than the average of the quarter ending 13-week U.S. Treasury Bill rates for the previous fiscal year, regular interest will be at least equal to the Treasury Bill average.

The only time credited interest will affect a member's benefit is if a refund of contributions is made either at termination or upon death.



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